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## It's official: World's largest ethane export terminal coming to Houston



Michael Creel, CEO of Enterprise Products Partners LP, is betting on big revenues to come from ethane exports.



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Reporter- *Houston Business Journal*

**The world's largest ethane export terminal is coming to the Houston Ship Channel.**

Houston-based **Enterprise Products Partners LP** (NYSE: EPD) announced that it will construct a refrigerated ethane export facility in Houston to build off of the ongoing domestic shale boom.

Enterprise had previously narrowed down the location to the Texas Gulf Coast before deciding on the Houston Ship Channel.

The giant midstream company has signed a 30-year agreement with the Port of Houston Authority for use of facilities adjacent to Enterprise's existing **Morgan's Point terminal**. Enterprise also plans to build a pipeline from its Mont Belvieu natural gas liquids fractionation and storage complex to provide direct access to the ethane supply.

The facility is expected to begin operations in the third quarter of 2016, according to Enterprise. The export terminal will be able to load fully refrigerated ethane at approximately 10,000 barrels per hour.

Enterprise spokesman Rick Rainey has said the company is not disclosing the project costs.

In April, Enterprise CEO Michael Creel said in a statement that the company has long-term contracts to support the development of the facility and that Enterprise is getting "strong interest from the international community for this project." The company said more customer contracts are likely to cover the remaining capacity of the facility.

"This facility is another example of Enterprise serving incremental market demand for growing supplies of U.S. energy," Creel said. "This is particularly important for ethane, which is a byproduct of natural gas and crude oil production and has limited uses. We estimate U.S. ethane production capacity currently exceeds U.S. demand by (300,000 barrels per day) and could exceed demand by up to (700,000 barrels per day) by 2020."

The project will help U.S. oil and gas producers increase their production levels so the nation will have "access to abundant supplies of domestically produced natural gas and crude oil," Creel said.

"The agreement is exciting for the port and the entire region in terms of creating jobs and fostering positive economic impact," said Janiece Longoria, chairman of the Port Commission of the Port of Houston Authority, in a statement.

The Mont Belvieu complex is connected to growing supplies of ethane from the Marcellus and Utica shale regions through Enterprise's recently completed ATEX ethane pipeline.

Enterprise is the second-largest transmission and pipeline company in the Houston area, and it has about 3,000 local employees, according to Houston Business Journal research.

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